

# DEPARTMENT OF EDUCATION



## DETAILED ACCOUNTING OF FISCAL YEAR 1999 DRUG CONTROL FUNDS

### IN SUPPORT OF THE *NATIONAL DRUG CONTROL STRATEGY*

AS REQUIRED BY SECTION 1704(D) OF  
TITLE 21 UNITED STATES CODE

JANUARY 27, 2000

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UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE UNDER SECRETARY

JAN 27 2000

Ms. Lorraine Lewis  
Inspector General  
Department of Education  
400 Maryland Avenue, S.W.  
Washington, DC 20202-1510

Dear Ms. Lewis:

As required by Section 1704(d) of Title 21 United States Code, enclosed please find a detailed accounting of all fiscal year 1999 Department of Education drug control funds for your authentication, in accordance with the guidelines in Office of National Drug Control Policy (ONDCP) Circular *Annual Accounting of Drug Control Funds*, dated December 17, 1999.

Consistent with the instructions in the ONDCP Circular, please provide your authentication to me in writing, and I will transmit it to ONDCP along with the enclosed accounting of funds. As you know, ONDCP requests these documents by February 1, 2000, if possible. Please do not hesitate to contact me if you have any questions about the enclosed information.

Sincerely,

A handwritten signature in cursive script that reads "Thomas P. Skelly".

Thomas P. Skelly  
Director, Budget Service

400 MARYLAND AVE., S.W. WASHINGTON, D.C. 20202

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*Our mission is to ensure equal access to education and to promote educational excellence throughout the Nation.*

**RESOURCE SUMMARY****Fiscal Year 1999 Obligations  
(in \$ millions)**

Drug Resources by Goal	
Goal 1	\$570.266
Goal 3	<u>92.892</u>
Total	663.158
Drug Resources by Function	
Prevention	570.266
Treatment	92.265
Treatment Research	<u>0.627</u>
Total	663.158
Drug Resources by Decision Unit	
Office of Elementary and Secondary Education	
Safe and Drug-Free Schools and Communities	
-SDFSC State Grants	441.180
-SDFSC National Programs	90.000
-SDFSC Middle School Coordinator Initiative	35.000
Fund for the Improvement of Postsecondary Education	<u>0.674</u>
Subtotal, OESE	566.854
Office of Special Education and Rehabilitative Services (OSERS)	
-Vocational Rehabilitation State Grants	92.175
-National Institute on Disability and Rehabilitation Research (NIDRR)	
Research and Rehabilitation Training Center (RRTC)	<u>0.604</u>
Subtotal, OSERS	92.779
Program Administration	<u>3.525</u>
Total	663.158

**PROGRAM DESCRIPTIONS**

The drug control programs operated by the Department of Education include: (1) prevention programs under the Safe and Drug-Free Schools and Communities Act; and (2) treatment and treatment research programs under the Rehabilitation Act of 1973. Descriptions of these programs follow.

**Drug Prevention: Safe and Drug-Free Schools and Communities**

Goal 1 of the *National Drug Control Strategy* is to educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco. The Safe and Drug-Free Schools and Communities (SDFSC) program, which is administered by the Department's Office of Elementary and Secondary Education (OESE), provides support for research-based approaches to drug and violence prevention that address this goal. Safe and Drug-Free Schools and Communities is the Federal Government's largest drug prevention program, and the only Federal program that provides direct support to schools for efforts designed to prevent school violence.

Under the SDFSC Act, funds are appropriated directly for State Grants and for National Programs. State Grant funds are allocated to States and Territories, half on the basis of school-aged population and half on the basis of State shares of Federal "Education for the Disadvantaged" funding for the previous year under Title I of the Elementary and Secondary Education Act. Governors receive 20 percent, and State educational agencies (SEAs) 80 percent, of each State's allocation. SEAs are required to subgrant at least 91 percent of their allocations to local educational agencies (LEAs); these subgrants are based on enrollment (70 percent) and high need (30 percent). SEAs determine the criteria for selecting high-need LEAs and are required to target their high-need funds on no more than 10 percent or 5 of their LEAs, whichever is greater.

Drug and violence prevention activities authorized under the statute include developing instructional materials; counseling services; professional development programs for school personnel, students, law enforcement officials, judicial officials, or community leaders; implementing conflict resolution, peer meditation, and mentoring programs; implementing character education programs and community service projects; establishing safe zones of passage; and acquiring and installing metal detectors and hiring security personnel. No more than 20 percent of an LEA's grant award may be used to support safe zones of passage, security personnel, and the purchase or operation of metal detectors. Activities most frequently funded by LEAs include staff training; student instruction; curriculum development/acquisition; and student assistance programs, including counseling, mentoring, and identification and referral services. At least 10 percent of each Governor's grant award must be used to fund law enforcement education partnerships that implement prevention activities such as drug-abuse resistance education (DARE) programming.

SDFSC National Programs is a broad discretionary authority that permits the Secretary to carry out, in accordance with national needs, programs designed to promote drug-free, safe, and orderly learning environments for students at all educational levels, from preschool through the postsecondary level. These programs may include training and technical assistance, demonstration projects; direct services to schools and school systems afflicted with especially severe drug and violence problems; developing and disseminating drug and violence prevention and education materials and information; recruiting, hiring, and training program coordinators to assist school districts in implementing high-quality, effective, research-based drug and violence prevention programs; programs for youth who are out of the education mainstream, including school dropouts, students who have been suspended or expelled from their regular education program, and runaway or homeless children and youth; programs that support local educational agencies and communities in developing and implementing comprehensive programs that create safe, disciplined, and drug-free learning environments and promote healthy childhood development; services and activities that reduce the need for suspension and expulsion in maintaining classroom order and discipline; services and activities to prevent and reduce truancy; programs to provide counseling services to troubled youth; financial and technical assistance to institutions of higher education for model drug prevention and campus safety programs for students attending such institutions; and evaluations of the effectiveness of drug and violence prevention programs. These programs are often carried out jointly with other Federal agencies. National Programs activities constitute a critically important component of the Department's efforts to improve the accountability of the SDFSC State grants program by, among other things, providing technical assistance and information to help State and local grantees implement effective, research-based programs.

### **Drug Treatment and Treatment Research: Rehabilitation Act Programs**

Goal 3 of the *National Drug Control Strategy* calls for reducing health and social costs to the public of illegal drug use. Although drug treatment is not a major focus of the Department or any of its programs, the Office of Special Education and Rehabilitative Services (OSERS) supports this Goal by funding two drug-related treatment and treatment research activities, the Vocational Rehabilitation State Grant program and the National Institute on Disability and Rehabilitation Research (NIDRR), that assist individuals whose disabling conditions result in an impediment to employment.

The majority of expenditures for drug-related treatment activities in OSERS are for the Vocational Rehabilitation State Grant program, authorized by Title I of the Rehabilitation Act of 1973. The program, which is funded under the Rehabilitation Services and Disability Research account, provides a wide range of services designed to help individuals with a physical or mental disability prepare for and engage in gainful employment to the extent of their capabilities. Funds are allocated to States on the basis of their population and per capita income. Individuals with disabilities that result in a substantial impediment to employment and who can benefit in terms of an employment outcome, including those individuals whose disabling condition is due to drug abuse, are eligible for assistance.

The National Institute on Disability and Rehabilitation Research (NIDRR), which is authorized under Title II of the Rehabilitation Act of 1973, supports research on issues relating to persons of all ages with disabilities. One of the institute's Rehabilitation Research and Training Centers (RRTCs) conducts research related to substance abuse issues among individuals qualifying for vocational rehabilitation services and the intersection between substance abuse and disability conditions.

## **DISCLOSURES**

### **Drug Methodology**

#### **Prevention**

For purposes of scoring the Department's drug control budget, the Department estimates that all funds used for violence prevention activities under the Safe and Drug-Free Schools and Communities program also impact on drug prevention. Therefore, this accounting submission includes 100 percent of Safe and Drug-Free Schools and Communities funds obligated in fiscal year 1999. It also includes obligations of \$674,000 from funds that were appropriated under the Fund for the Improvement of Postsecondary Education (FIPSE) program under title VII-B of the Higher Education Act. The FIPSE funds were earmarked in the appropriations statute to be used exclusively to identify and provide models of alcohol and drug abuse prevention and education in higher education at the college level. The Department administered this activity in the Safe and Drug-Free Schools program office along with related postsecondary drug prevention activities funded under SDFSC National Programs.

#### **Treatment and Treatment Research**

Although the above resource summary identifies a specific dollar amount for the Vocational Rehabilitation program, this amount reflects only an approximation of the costs under this program of activities that assist eligible individuals with a drug-related disabling condition to

achieve an employment outcome. The estimate of these costs is based on two sets of 1997 data. The first set represents the number of individuals served by State vocational rehabilitation agencies for whom drug abuse is the primary or secondary disabling condition, and is estimated at 8.6 percent. The second data set, which provides average cost estimates for the purchase of services for individuals with different disabling conditions, approximates the cost of purchased services for drug-dependent clients at slightly less than one-half that for clients with other disabilities. Based on the product of these two numbers, the Department's Rehabilitation Services Administration estimates that approximately 4 percent of the Vocational Rehabilitation State grant funds were used by State vocational rehabilitation agencies in 1999 for services to individuals with a drug-related disabling condition. The Department used the most recent client and cost data available to produce these estimates, but because of lag time in reporting, 1999 data could not be used to calculate 1999 obligations. Gross obligations in FY 1999 for the Vocational Rehabilitation State Grant program totaled \$2,304,380,948; 4 percent of this amount equates to \$92,175,238, the estimate shown under the resource summary in section I of this report.

Specifically, the data used to generate estimates of the percentage of Vocational Rehabilitation (VR) State grant funds used by State VR agencies for services to drug disabled clients comes from the Rehabilitation Services Administration (RSA) Case Service Report (R-911). The R-911 reporting system collects data on the personal and program-related characteristics of individuals with disabilities whose cases are closed out each year by State VR agencies. This report also includes information on the cost and types of services purchased by State VR agencies on behalf of their clients. The majority of the data elements collected through this system are on individuals who are determined to have achieved an employment outcome at the time of case closure. The cost data reported through the R-911 reflects the cost of purchased services over the life of the case, which in 1997 was an average of about 14 ½ months. The information is reported to RSA by State VR agencies on annual basis.

The R-911 is able to provide fairly accurate counts of the number of individuals with a primary or secondary disability due to drug abuse. However, the R-911 is limited in its ability to provide data on total program expenditures by sub-groups. As stated above, the R-911 collects only the cost of services purchased by the VR State agency on a behalf of a client. However, many of the services clients receive are provided directly by State VR agency staff, in particular assessment, counseling, guidance, and placement services. The costs of these direct services are captured through another aggregate report, but they are not reported at the client or subgroup level. Therefore, in estimating the total average cost, we have assumed the costs of services provided directly by agency staff to be proportional to the purchased services for this population.

In fiscal year 1999, the National Institute on Disability and Rehabilitation Research obligated a base grant award of \$499,990 in addition to a supplemental grant award of \$103,673 to the Rehabilitation Research and Training Center on Drugs and Disability at Wright State University. The total of these two awards is \$603,663. Because this center conducts research exclusively on substance abuse issues among individuals qualifying for vocational rehabilitation of persons whose primary or secondary disability is substance abuse, the Department scores 100 percent of these funds as drug control budgetary resources.

#### Program Administration

The Department's drug control budget also includes an estimate of the program administration costs associated with the staff who administer the above programs. These staff administer

grant competitions; compete contracts; monitor existing grants and contracts; disseminate anti-drug materials; provide technical assistance to States, school districts, and other recipients of drug control funds; implement joint agreements with other Federal agencies for improved coordination in demand reduction activities; coordinate the Department's program evaluations and data collections; perform program and budget analysis; and provide legal counsel on the implementation of these programs.

The Department estimates that 32 full-time-equivalent (FTE) staff perform the above administrative functions for the programs identified in this report under Goal 1 of the *National Drug Control Strategy*. This is based on 28 FTE staff assigned directly to the Safe and Drug-Free Schools program (organizational code ESN) in the Office of Elementary and Secondary Education (OESE), plus 4 additional FTE staff throughout the Department who also provide administrative support for these programs. The 1999 obligations of program administration costs corresponding to these 32 FTE are estimated to be \$3,412,000. This estimate is based on the following methodology:

- Pay for Safe and Drug-Free Staff/FTE (\$2,051,000). Derived from actual FY 1999 obligations in the Department's accounting system showing personnel compensation and benefits costs for organization ESN including overtime and awards.
- Pay for Other FTE (\$299,000). Derived from calculations using FY 1999 average salary for the OESE, excluding the costs for Safe and Drug-Free FTE, multiplied by the FTE associated with portions of staff time (FTE) of a number of other OESE and Department staff.
- Non-pay for Safe and Drug-Free Staff/FTE (\$65,000). Derived from actual FY 1999 obligations in the Department's accounting system for travel, contracts, and supplies.
- Non-pay for Other FTE (\$50,000). Derived from calculations using OESE total non-pay, minus Safe and Drug-Free non-pay, divided by number of FTE (excluding Safe and Drug-Free FTE) for a "per FTE" cost, multiplied by other OESE and Department FTE.
- Non-pay for Department Overhead Costs (\$947,000). Derived from calculations combining all Department overhead costs for rent, phones, ADP equipment, network operations, etc. in the Program Administration account divided by the FTE usage attributable to the Program Administration account for a "per FTE" cost for overhead expenses, multiplied by total OESE Safe and Drug-Free and other FTE.

The Department estimates that 1 full-time-equivalent (FTE) staff perform the above administrative functions for the activities identified in this report under Goal 3 of the *National Drug Control Strategy*, based on portions of staff time assigned within the Office of Special Education and Rehabilitative Services and elsewhere in the Department who provide administrative support for these programs. The 1999 obligations of program administration costs corresponding to this 1 FTE are estimated to be \$113,000. This estimate is based on the following methodology:

- Pay (\$76,000). Derived from calculations using FY 1999 average salary for the Office of Special Education and Rehabilitation Services (OSERS) multiplied by the FTE associated with portions of staff time (FTE) of a number of OSERS and other Department staff.



- Non-pay Costs (\$7,000). Derived from calculations using OSERS total FY 1999 actual obligations divided by the total OSERS FTE for a "per FTE" cost.
- Non-pay for Department Overhead Costs (\$30,000). Derived from calculations combining all Department overhead costs for rent, phones, ADP equipment, network operations, etc. in the Program Administration account divided by the FTE usage attributable to the Program Administration account for a "per FTE" cost for overhead expenses.

Note: Under the Drug Resources by Function break-out in the resource summary on page 1 of this report, all program administration costs identified above for Goal 1 are combined with the obligations of Safe and Drug-Free Schools and Communities program funds to calculate the total prevention dollars. Eighty percent of the program administration costs identified for Goal 3 are combined with the obligations of Vocational Rehabilitation State Grant funds to calculate the total treatment dollars, and 20 percent of the program administration costs for Goal 3 are added to the obligations for the National Institute on Disability and Rehabilitation Research – Research and Rehabilitation Training Center to calculate the total treatment research dollars.

#### **Methodological Modifications**

The Department has not made any modifications from the previous year in the methodology used for estimating its drug control budgetary resources, except for the inclusion, in 1999, of \$674,000 in obligations from funds appropriated under the FIPSE program, as explained above under the drug methodology heading for prevention programs.

#### **Material Weaknesses or Other Findings**

The Department does not have any material weaknesses to disclose that affect the presentation of fiscal year 1999 drug-related obligations in this report. All other known weaknesses which affect the presentation of drug-related obligations in this report are explained in the drug methodology description above, and in the disclosures below.

#### **Reprogrammings or Transfers**

There were no reprogrammings or transfers of drug-related budgetary resources in the Department of Education in fiscal year 1999.

#### **Other Disclosures**

The Department acknowledges that the methodology described above is imprecise for identifying fiscal year 1999 obligations of drug control funds, because the methodology is based in part on estimates and assumptions. While it is based on management's best estimates and assumptions, actual obligations and expenditures may differ. Most significant among these estimates and assumptions are the following:

- The budgetary resources in this report include 100 percent of obligations for the Safe and Drug-Free Schools and Communities program. This program funds drug prevention activities as well as violence prevention and school safety activities. The Department does not currently have data or any other means by which to identify or estimate the amount of funds under this program that support drug prevention exclusive of the funds that support violence prevention and school safety with no drug-control-related nexus.

To collect such data would be prohibitively expensive for the Department and impose significant new burdens on program grantees. Furthermore, collecting such data would require the Department and, in turn, SDFSC grantees to make many arbitrary judgements about whether or not the many varied activities funded constitute drug prevention or are at least significantly drug-related. Consequently the data, if collected, would be of questionable quality, and the expense and burden to collect the data could not be justified.

- It should also be noted that a small portion of Safe and Drug-Free Schools and Communities funds (approximately \$5 million, less than 1 percent of fiscal year 1999 obligations) supports alcohol prevention programs for students enrolled in institutions of higher education. For college students served by such programs who are 21 years of age or older, alcohol is a legal drug and those programs fall outside the scope of the *National Drug Control Strategy*. However, the Department does not have data or any other means by which to identify the ages of the students served by these programs, or to identify or estimate the amount of funds under these programs that supports the prevention of alcohol exclusive of the funds that support prevention of illegal drugs. For these reasons, the drug budget methodology in this report includes all SDFSC funds for postsecondary prevention programs and activities.
- The estimates of program administration costs associated with the staff who administer the Department's drug control programs are based – in part – on average administrative costs per full-time-equivalent (FTE) staff, rather than based entirely on the administrative costs of individual staff who are assigned to those programs. The reasons for this are: (1) not all of the staff assigned to these programs are assigned to them on a full-time basis, and the FTE figures are themselves partly estimated by management based on workload; and (2) the Department's accounting system does not track obligations for individual staff time devoted to specific activities or functions.
- In addition to the qualifications and caveats regarding the budget estimates for the Department's drug treatment and treatment research programs explained in the methodology section above, it should be noted that most drug-disabled clients served by the Vocational Rehabilitation State Grant program are not current drug users. Rather, many of these clients have already successfully completed drug treatment before entering the VR program, and the VR program is providing other types of assistance to these individuals to obtain employment. Therefore, most of the services provided by this program with funds identified in this report would not meet the ONDCP definition of treatment, as follows: "activities focused on assisting regular users of controlled substances to become drug-free through such means as counseling services, in-patient and out-patient care, and the demonstration and provision of effective treatment modalities, etc.". Consequently, the Department plans to undertake a review, with ONDCP, on the appropriateness of including the Vocational Rehabilitation State Grant program in the National drug control budget in future years.

## ASSERTIONS

### Drug Methodology

The methodology used to calculate the fiscal year 1999 obligations of drug control funds presented in this report is reasonably accurate, based on the following ONDCP criteria.

### Data

Workload and other statistical information supports the drug methodology; these data are clearly identified and the most recently available; and the source of these data and their current connection to drug control obligations is well documented.

### Other Estimation Methods

Where professional judgement or other estimation methods are used as part of the drug methodology, the association between these assumptions and the drug control obligations being estimated is thoroughly explained and documented.

### Completeness

All activities conducted by the Department that have a drug control-related nexus are reflected in the methodology. (While the Department conducts programs that are not reflected in the methodology and that may have an indirect or potential impact on preventing drug use by youth, all programs conducted by the Department whose primary purpose is to control drugs have been included. Funding for programs not reflected in the methodology that may have a possible impact on drug control would not be a substantial function of the programs, and difficult, if not impossible, to ascertain.)

### Financial Systems

Financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which the drug-related obligation estimates are derived.

### Application of Methodology

The methodology disclosed in section III above was, indeed, the actual methodology used to generate the fiscal year 1999 obligations of drug control funds presented in section I of this report.

### Financial Plan – Including Reprogrammings or Transfers

There were no reprogrammings or transfers of Department of Education drug control funds in fiscal year 1999; therefore, the required assertion that the data presented in this report properly reflect changes in drug control budgetary resources resulting from reprogrammings or transfers of funds is not applicable.



## UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

February 1, 2000

THE INSPECTOR GENERAL

## MEMORANDUM

TO: Thomas P. Skelly  
Director, Budget Service  
Office Of The Under Secretary

FROM: Lorraine Lewis *Lorraine Lewis*

SUBJECT: Authentication of *U.S. Department of Education's Detailed Accounting of Fiscal Year 1999 Drug Control Funds*, dated January 27, 2000

Attached is our authentication of the *U.S. Department of Education's Detailed Accounting of Fiscal Year 1999 Drug Control Funds*, dated January 27, 2000, as required by 21 U.S.C. 1704(d).

Our authentication was conducted in accordance with the guidelines stated in the Office of National Drug Control Policy Circular: *Annual Accounting of Drug Control Funds*, dated December 17, 1999.

If you have any questions or wish to discuss the contents of this authentication, please contact Bernard Tadley, Area Manager for Audit, Philadelphia, Pennsylvania at 215-656-6279.

Attachment



## UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

THE INSPECTOR GENERAL

Office of Inspector General's Independent Report on the U.S. Department of Education's  
Detailed Accounting of Fiscal Year 1999 Drug Control Funds, dated January 27, 2000

We reviewed the accompanying report, entitled *U.S. Department of Education's Detailed Accounting of Fiscal Year 1999 Drug Control Funds*, dated January 27, 2000. This report is the responsibility of the U.S. Department of Education's (ED) management and was prepared under the authority of 21 U.S.C. §1704(d), which also requires a review by the Inspector General.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The objective of a review is to provide negative assurance as to whether any information came to the practitioner's attention on the basis of the work performed to indicate that management's assertions are not presented in all material respects based on established or stated criteria. A review is substantially less in scope than an examination. The objective of an examination is the expression of an opinion on the *U.S. Department of Education's Detailed Accounting of Fiscal Year 1999 Drug Control Funds*, dated January 27, 2000. Accordingly, we do not express such an opinion.

We performed review procedures on the "Resource Summary" (page 2), "Disclosures" (pages 4-8), and "Assertions" (pages 8-9) in ED's accompanying report. We did not review "Program Descriptions" (pages 2-4). In general, our review procedures were limited to inquiries and analytical procedures appropriate for our attestation review engagement.

About 85 percent of ED's drug control funds consist of obligations for the Safe and Drug-Free Schools and Communities programs. ED disclosed on page 7 ("Other Disclosures") of its report that it is not able to "estimate the amount of funds under this program that support drug prevention exclusive of the funds that support violence prevention and school safety with no drug-control-related nexus." Furthermore, as disclosed on page 8 ("Other Disclosures") of its report, "the Department plans to undertake a review, with Office of National Drug Control Policy (ONDCP), on the appropriateness of including the Vocational Rehabilitation State Grant program in the National drug control budget in future years."

Based on our review, nothing came to our attention that caused us to believe that the accompanying *U.S. Department of Education's Detailed Accounting of Fiscal Year 1999 Drug Control Funds*, dated January 27, 2000, is not presented in all material respects, based on the ONDCP Circular: *Annual Accounting of Drug Control Funds*, dated December 17, 1999.

This report is intended solely for the use of the U.S. Congress, Office of National Drug Control Policy, and ED.



Lorraine Lewis

February 1, 2000